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SUBJECT: SERBIA: ROUNDTABLES WITH MUSLIM ENTREPRENEURS

Summary

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**¶1.** (U) During two embassy-led roundtables with local Muslim entrepreneurs (as per reftel A), participants expressed their support for President Obama's Muslim outreach initiative but remained primarily concerned about the depressed local economic situation hindering business opportunity and the lack of assistance from officials in Belgrade. Participants were supportive of USG efforts to engage the local Muslim communities in Serbia and looked forward to Post's initiative to host a similar roundtable on the national level in early 2010. End Summary.

South Serbia

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**¶2.** (U) Post held two roundtables with Muslim entrepreneurs and leaders in Serbia. The Charge led the first roundtable (December 3) in the South Serbia town of Vranje. Bordering Kosovo to the west, economically depressed South Serbia, often referred to as the Presevo Valley, has a large ethnic Albanian Muslim population. (Reftel C). The Charg???? met with representatives from six small, Albanian-owned businesses, all of whom have participated in USAID programs. Industries represented included meat processing, dairy, textiles and construction, and aluminum product distribution. The Charg???? discussed the President's Muslim outreach, the upcoming Presidential Summit in Washington, and emphasized opportunities initiative presents to help Muslim businesses integrate into Serbia. Participants identified a number of challenges, including a significant income gap with Belgrade, youth migration, the difficulty of selling their products within Serbia due to Serbs unwillingness to buy "Albanian" products, and export challenges due to border problems with Kosovo and limited border crossing points into Macedonia.

Sandzak

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**¶3.** (U) Acting DCM hosted the second roundtable on December 15 in Novi Pazar in Southwest Serbia's Sandzak region (Reftel D), home of Serbia's Slavic Muslim (Bosniak) population. Acting DCM met with representatives from seven Muslim-owned businesses, including dairy, bakery, textiles, meat processing, and manufacturing industries. Participants identified the global economic situation and the region's lack of infrastructure as significant problems hampering business opportunities. In particular, Sandzak is far from major cities, roads are inadequate, and raw materials are both scarce and expensive to procure. The participants viewed the

nearby Kosovo market as "essentially lost" because Serbia refused to provide paperwork needed to export goods to Kosovo. They discussed a few possible initiatives such as regional branding but generally agreed that poor infrastructure and national economic conditions exerted the greatest influence on their business prospects. One participant raised the recent Swiss referendum banning minarets, questioning how Muslims could feel like European citizens in the face of such laws.

Social Policy Minister Ljajic

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**¶4.** (U) Charge met with Social Policy Minister Ljajic on December 22 to discuss the President's initiative and coordinate on next steps. Ljajic, an ethnic Muslim and one of only two Muslims in the Cabinet, noted he had just formed a Social Democratic Party whose goal was to become a viable non-ethnic-based party in Serbia. While Ljajic applauded the spirit of the initiative, he asked that the Muslim aspect be down-played in Serbia. Ljajic noted that the Muslim areas of Serbia also were the most under-developed and said

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we should highlight our support for entrepreneurs from under-developed parts of Serbia, rather the Muslim aspect. He said he would support the initiative, but said it was better placed with Minister of Public Administration and Local Self-Government Milan Markovic.

COMMENT

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**¶5.** (U) The roundtables were a useful outreach tool that highlighted the President's initiative, while also offering an opportunity to discuss Embassy initiatives to better connect entrepreneurs from Muslim regions in Serbia with economic opportunities in Serbia and the region. Post plans a follow up event in Belgrade in early 2010 inviting entrepreneurs from both Muslim regions of Serbia to discuss business opportunities with other Serbian and international businesses, Serbian government officials, the diplomatic community, and international organizations. We will use that forum to encourage further cooperation between Muslim entrepreneurs and governmental officials, in an effort to build greater understanding and cooperation among Serbia's diverse ethnic and religious communities. End Comment.

BRUSH